

Name _____ Period _____ Date _____

Chapter 23.1 / 23.2 - Purchasing

1. Who buys goods for business purposes, usually in much greater quantities than the average consumer?
2. People responsible for purchasing in the manufacturing and service businesses may be called:
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3. In the resellers market, who purchases goods for resale?
4. What is a six-month merchandise plan?
5. What is the first figure calculated on a merchandise plan and how is it determined?
6. What are some ways that a firm would decide its goals?
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7. What does BOM stand for?
 - a. How is it projected?
8. What does EOM stand for?
 - a. How is it related to BOM

9. What does the phrase planned retail reductions mean?
10. What can cause retail reductions?
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11. What does OTB stand for and what is it?
12. How is OTB calculated?
13. What is it called when all purchases for a chain store are done in a central location?
- a. Why is this type of purchasing done?
14. Why would a chain store consider decentralized buying? Explain...

15. List and describe the three purchase situations.

1)

2)

3)

16. The criteria used for selecting suppliers include the following.....
---*Explain each...*

a. Production Capabilities

b. Past experiences

c. Special buying arrangements

d. Special services